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Submission for the Record to the Environment Committee Public Hearing, March 16, 2009, Comments on Raised Bill No. 918 Housatonic Resources Recovery Authority, Cheryl D. Reedy, Director

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This submission for the record on RB 918 is offered by Cheryl D. Reedy, Director, on behalf of the Housatonic Resources Recovery Authority (HRRA), the regional solid waste and recycling management agency for eleven municipalities in western CT, including, the City of Danbury and the Towns of Bethel, Bridgewater, Brookfield, Kent, New Fairfield, New Milford, Newtown, Redding, Ridgefield and Sherman. HRRA annually permits 59 solid waste haulers and registers those haulers with the municipalities in which they collect as required by state law.

HRRA presented testimony to the Environment Committee in 2007 and 2008 opposing previous solid waste hauler licensing bills. I regret that other business scheduled for March 16, 2009 does not allow me to testify in person this year.

HRRA has consistently opposed solid waste hauler licensing despite our region's considerable interest and support for ensuring that the public is protected from and the industry free from the corrupting influence of organized crime. The Authority believes that the time and financial burdens of licensing schemes proposed to date would have the unintended effects of reducing competition for solid waste collection and increasing costs for consumers. In addition the Authority believes that the vast majority of solid waste haulers are hard working, law-abiding small business men and women who will bear the brunt of the costs of licensing for the sins of the few bad apples in the industry, and that those few bad apples will always find a way to thwart any deterrence that licensing is intended to provide.

Having stated HRRA's position on hauler licensing, however, we want to note that RB 918 is improved over similar proposals in prior years. The following are HRRA's comments on the bill as proposed for the Committee's consideration:

- 1. We applaud the exemptions for political subdivisions of the state contained in the bill.
- 2. The exemption in Sec. 2 for very small businesses with three or fewer trucks is reasonable since they have a much smaller customer base over which to spread their licensing costs.
- 3. Sec. 2 provides a loophole that the Committee should consider. There is one hauler in the HRRA region who neither owns nor operates any trucks and who does not hold any equity or debt liability in the other company which provides the trucks and drivers to

service his accounts. Under RB 918 as written, it appears this hauler would be exempt from licensing no matter how many accounts he services. While this business arrangement is no doubt unique, it is a model other collectors might choose to follow in lieu of licensing. One company could obtain a license and provide the trucks and drivers for a whole stable of other unlicensed solid waste companies who would each market their own services, obtain their own accounts and provide their own containers to customers for actual collection by the licensed hauler.

- 4. The consumer protections in Sec. 7 of the proposed bill are a welcome addition and would be very helpful to small businesses in our region, provide protection to consumers from anti-competitive business practices and unfettered evergreen contracts, and allow consumers more opportunity to take advantage of competition in the marketplace.
- 5. It would be helpful to consumers and agencies such as the HRRA if the bill required the Commissioner of Environmental Protection to post and maintain a current list of all licensed solid waste haulers on the DEP website with a contact name and phone number for each.
- 6. The last sentence of Sec. 7 (a) (5) is confusing. A possible revision could read: The contract shall also provide the consumer with not less than fourteen days to terminate such contract after notice of such increase, subcontract or assignment is received.
- 7. Sec. 7 (b) is a reasonable way to help solid waste haulers amortize capital purchases made to service large customers or customers with specialized needs over a contract term longer than two years in order to recoup their investment. Sec. 7 (b) also will allow municipalities who want to lower costs by entering into long term collection contracts with haulers to do so.
- 8. It is good that the bill excludes the costly requirement for solid waste haulers to submit three years of audited financial statements for licensing and annual audits thereafter to maintain their license, as required in a similar bill, Committee Bill No. 324, recently JFSed by the General Law Committee.
- 9. The five year term for a solid waste hauling license is a reasonable way to try to reduce the cost and paperwork burden for haulers.
- 10. Please note that the definition of solid waste in CGS 22a-207 is very broad and thus it appears that the range of persons or business entities that will require licensing under this bill will also be very broad and include many more businesses than those typically thought of as "garbage men". Landscapers, scrap metal collectors, waste oil collectors, e-waste collectors, document shredding companies and even companies who pick up and haul away returned deposit bottles from retailers appear to be covered by the licensing requirement of this bill given the definitions.

Thank you for the opportunity to submit these comments on behalf of HRRA for the record on RB 918.